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LISTING STATEMENT NO. 2457.

LISTED JULY 7, 1970.

10,000,000 shares without par value.

Stock Symbol "BGL".

Post Section 3.3.

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

BRALORNE OIL & GAS LIMITED

Originally Incorporated under the laws of the Province of Alberta
by Memorandum of Association, dated January 23, 1964

1. Address of the Company's Head Office and of any other offices:

Head Office—402-736-8th Avenue S.W., Calgary, Alberta.

2. Officers of the Company:

<u>Office Held</u>	<u>Name</u>	<u>Address</u>	<u>Occupation</u>
Chairman of the Board	Paul Porzelt	Westwood Farm Sharon, Connecticut	Mining Executive
President and Chief Executive Officer	Harry Dernick	1231 Belavista Crescent S.W. Calgary, Alberta	Oil Executive
Treasurer	Thomas F. Griffin, C.A.	4657 Connaught Drive Vancouver 9 British Columbia	Chartered Accountant
Secretary	Peter G. Wiseman	4376 Arundel Road North Vancouver British Columbia	Mining Executive
Assistant-Secretary	Edward L. Richardson	23 Hounslow Drive N.W. Calgary, Alberta	Accountant

3. Directors of the Company:

<u>Name</u>	<u>Address</u>	<u>Occupation</u>
Douglas A. Berlis, Q.C.	1 Suncrest Drive, Don Mills, Ontario	Barrister & Solicitor
C. A. Burns	23 Tanager Avenue, Toronto 17, Ontario	Mining Consultant
George H. Davenport	101-235 Keith Road West Vancouver, British Columbia	Mining Executive
Harry Dernick	1231 Belavista Crescent S.W., Calgary, Alberta	Oil Executive
C. Geoffrey Edge	Apartment 806, 4488 Ste. Cathérine Street West Westmount 215, Québec	Executive
Robert C. Heim	206 Pine Road, Briarcliff Manor New York, New York 10510	Executive
Pemberton Hutchinson	309 West Highland Avenue, Chestnut Hill Philadelphia, Pennsylvania 19118	Executive
John L. Kemmerer, Jr.	10 Stewart Road, Short Hills, New Jersey 07078	Executive
Clifford S. Malone	593 Argyle Avenue, Westmount 217, Québec	Executive
Paul Porzelt	Westwood Farm, Sharon, Connecticut	Mining Executive

4. Names and addresses of all transfer agents:

The Royal Trust Company—555 Burrard Street, Vancouver, British Columbia
—The Royal Trust Tower, Toronto Dominion Centre, Toronto, Ontario
—606-7th Avenue S.W., Calgary, Alberta

5. Particulars of any fee charged upon transfer other than customary government taxes:
\$0.50 per share certificate.

6. Names and addresses of all registrars:

The Royal Trust Company—555 Burrard Street, Vancouver, British Columbia
—The Royal Trust Tower, Toronto Dominion Centre, Toronto, Ontario
—606-7th Avenue S.W., Calgary, Alberta

7. Amount of authorized capital: 10,000,000 shares without nominal or par value to be issued for an aggregate consideration not to exceed \$10,000,000.
8. Number of shares and par value: 10,000,000 shares without nominal or par value.
9. Full details of all shares issued in payment for properties or for any other assets other than cash:

<u>Date</u>	<u>Number of Shares</u>	<u>Brief description of the properties or other assets and the aggregate consideration therefor, expressed in cash, shares, etc.</u>
June 12, 1967	1,999,995	Bralorne Pioneer Petroleum Limited, one of the amalgamating companies which subsequently formed Bralorne Oil & Gas Limited, issued 1,999,995 common shares at a consideration fixed at \$1,937,546.00 to Bralorne Pioneer Mines Limited (now renamed Bralorne Can-Fer Resources Limited) as consideration for the purchase of its oil and gas interests, including (a) the oil and gas interests owned directly by Bralorne Pioneer Mines Limited, (b) 27,353 preference shares and 13,682 common shares of Bralorne Petroleum Limited, (c) 211,559 common shares of Bralorne Oil & Gas Limited, and (d) advances totalling \$200,000 made to Bralorne Petroleum Limited. No amount was paid for goodwill pursuant to the amalgamation agreement, and the issued and outstanding shares of the amalgamating companies were converted into 2,000,000 shares of the Company.
February 2, 1970	25,000	The Company purchased all the outstanding shares in the capital stock of Junior Oils Ltd. for \$300,000 and 25,000 common shares of the Company at a consideration fixed at \$50,000.
Total	2,024,995	

10. Full details of all shares sold for cash:

<u>Date</u>	<u>Number of Shares</u>	<u>Price per Share</u>	<u>Amount realized by Company</u>
March 24, 1964	3	\$1.00	\$ 3.00
March 30, 1965	2	1.00	2.00
August 1, 1967	500,000	1.25	625,000.00
March 3, 1969	100,000	0.80	80,000.00
December 1, 1969	125,000	2.00	250,000.00
March 31, 1970	125,000	2.00	250,000.00
June 15, 1970	125,000	2.00	250,000.00
Total	975,005		\$1,455,005.00

11. Total number of shares issued: 3,000,000.
12. Number of shares now in treasury or otherwise unissued: 7,000,000.
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes:
Not Applicable.
14. Date of last annual meeting: May 13, 1970.
15. Date of last report to shareholders: The Annual Report for 1969 was mailed to Shareholders on April 20, 1970.

16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	By agreement dated as of October 31, 1969, Chemcell Resources Limited may commit funds at the rate of at least \$500,000 quarterly up to December 31, 1974, to be managed by the Company for exploration, acquisition and development, and thereby shall have the right to acquire one share of the Company at a price of \$2.00 per share for each \$4.00 of expenditure until Chemcell Resources Limited and/or Chemcell Limited has acquired 50% plus 1 share of the issued and outstanding shares of the Company.
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17. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed.	The Company has set aside 100,000 treasury shares for employee incentive options. On April 30, 1969, cumulative options were granted to Ronald A. Howard, 10527 Willowgreen Drive S.E., Calgary 30, Alberta; F. Merritt Chisholm, R.R. No. 8, Calgary, Alberta; and E. L. Richardson, 23 Hounslow Drive N.W., Calgary, Alberta, on a total of 45,000 shares at the price of \$1.00 per share exercisable for a 5-year period. On December 15, 1969, a cumulative option was granted to Norman Paarup, 4523 Glenmere Road S.W., Calgary, Alberta, on a total of 5,000 shares at the price of \$1.60 per share, exercisable over a 5-year period. On June 1, 1970, a cumulative option was granted to James D. Murdoch, 7019 Kenosee Place S.W., Calgary, Alberta, on a total of 15,000 shares at the price of \$1.07 per share, exercisable over a 5-year period.												
18. Details of any payments in cash or securities of the Company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Apart from finder's fees of nominal amount which are sometimes paid for property acquisitions, no payments in cash or securities of the Company have been made or are to be made to any promoter or finder in connection with any underwriting or property acquisition.												
19. Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement or control.	No shares of the Company are pooled, deposited in escrow, non-transferable or held under any voting trust agreement or control. Bralorne Can-Fer Resources Limited, Chemcell Resources Limited ("Chemcell"), and Chemcell Limited by an agreement dated October 31, 1969, have agreed to vote their shares of the Company in favour of election to the Board of Directors of two nominees of Chemcell initially and thereafter for the election of four and six nominees of Chemcell when Chemcell has acquired 30% and 50% of the shares of the Company respectively. The remaining nominees to the Board of Directors from time to time shall be nominees of Bralorne. Bralorne and Chemcell have also entered into a first right of refusal agreement with respect to the sale of any shares of the Company owned by either of them.												
20. Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not Applicable.												
21. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table> <tr> <th>Name and Address</th><th>Number of Shares</th></tr> <tr> <td>1. <i>Bralorne Can-Fer Resources Limited</i> 320-355 Burrard Street, Vancouver 1, British Columbia</td><td>2,041,291</td></tr> <tr> <td>2. <i>Chemcell Limited</i> 800 Dorchester Boulevard West, Montréal 101, Québec</td><td>375,000</td></tr> <tr> <td>3. <i>Harry Dernick</i> 1231 Belavista Crescent S.W., Calgary, Alberta</td><td>100,000</td></tr> <tr> <td>4. <i>Broadcourt Investments Ltd.</i> 630 Dorchester Boulevard West, Montréal 2, Québec</td><td>80,000</td></tr> <tr> <td>5. <i>Burns Bros. & Denton Limited*</i> Box 39, Toronto Dominion Centre, Toronto 1, Ontario</td><td>65,000</td></tr> </table> <p>*Beneficial ownership not known.</p>	Name and Address	Number of Shares	1. <i>Bralorne Can-Fer Resources Limited</i> 320-355 Burrard Street, Vancouver 1, British Columbia	2,041,291	2. <i>Chemcell Limited</i> 800 Dorchester Boulevard West, Montréal 101, Québec	375,000	3. <i>Harry Dernick</i> 1231 Belavista Crescent S.W., Calgary, Alberta	100,000	4. <i>Broadcourt Investments Ltd.</i> 630 Dorchester Boulevard West, Montréal 2, Québec	80,000	5. <i>Burns Bros. & Denton Limited*</i> Box 39, Toronto Dominion Centre, Toronto 1, Ontario	65,000
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5. <i>Burns Bros. & Denton Limited*</i> Box 39, Toronto Dominion Centre, Toronto 1, Ontario	65,000												
22. Names and addresses of persons whose shareholdings are large enough to materially affect control of the Company.	Bralorne Can-Fer Resources Limited 320-355 Burrard Street, Vancouver 1, British Columbia. See also Item No. 19.												
23. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	By a prospectus dated July 26, 1967, the Company qualified for sale with the appropriate government agencies in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, and Nova Scotia, 600,000 common shares of which 100,000 were offered by way of secondary distribution.												
24. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.	NO.												

25. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	NIL.
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The Company owns all the issued and outstanding shares of Bralorne Petroleum Limited, Junior Oils Ltd., and Carleton Oil & Gas Development Co. Ltd., whose accounts are consolidated with those of the Company.
27. Enumerate fully each of the following property classifications, giving claim or property numbers, approximate acreage, townships and mining camp or oil field: (a) Properties owned where titles vested in Company. (b) Properties leased. (c) Properties otherwise held.	See Schedule "A" on pages 7-15.
28. Full particulars of any royalties or other charges payable upon production from each individual property.	See Schedule "A" on pages 7-15.
29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid.	Not Applicable.
30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	William S. Kilroy, 1908 First National City Bank Building, Houston, Texas, 77002, and Lloyd H. Smith, 1810 Bank of the Southwest Building, Houston, Texas 77002, received a greater than 5% interest in the \$300,000 and 25,000 common shares of the Company paid to the Vendors for all of the outstanding shares of Junior Oils Ltd.
31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully.	NO.
32. Describe plant and equipment on property or properties.	The Company owns the necessary well head installations for its producing oil wells including separators, treators and storage tanks and owns the necessary well dehydrators, gathering systems, compressors and gas treatment plants for its producing gas wells. For those producing oil and gas wells which are pooled or unitized with other companies, the Company owns a percentage interest in the necessary installations.
33. Describe all development accomplished and planned.	The Company proposes to concentrate its funds on the acquisition of producing properties; to gain maximum exposure at minimum cost by participating with others in testing unproven acreage; within the limits of its resources, to drill for its own account prospects which the Company's technical staff have judged to have exceptional geologic merit and to acquire large acreage at minimum cost in areas which have not yet attracted the attention of the industry. In the past year, in accordance with this balanced policy, the Company has acquired all the issued shares of Carleton Oil & Gas Development Co. Ltd. and Junior Oils Limited and has purchased for cash other producing properties and thereby substantially increasing its proven reserves; and will increase the tempo of its exploratory activities by participating in the drilling of up to 40 wells during the current year. The Company has increased its technical staff and recently embarked on long-range geologic research which is now resulting in geophysical surveys in specific areas and which hopefully will lead to deep test drilling. An active acreage acquisition programme is also being pursued.

34. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.	February 27, 1970—J. C. Sproule and Associates Ltd.																				
35. Full particulars of production to date.	<table><tr><td></td><td>1967</td><td>1968</td><td>1969</td><td>1970 (estimated)</td></tr><tr><td>Net Oil Production (Bbls.)</td><td>173,126</td><td>173,238</td><td>203,996</td><td>260,000</td></tr><tr><td>Net Gas Production (Mmcf.)</td><td>716</td><td>707</td><td>849</td><td>860</td></tr><tr><td>Net Production Income</td><td>\$523,487</td><td>\$540,990</td><td>\$617,795</td><td>\$753,000</td></tr></table> <p>Note: Net oil and gas production and income figures are after having deducted the applicable royalties.</p>		1967	1968	1969	1970 (estimated)	Net Oil Production (Bbls.)	173,126	173,238	203,996	260,000	Net Gas Production (Mmcf.)	716	707	849	860	Net Production Income	\$523,487	\$540,990	\$617,795	\$753,000
	1967	1968	1969	1970 (estimated)																	
Net Oil Production (Bbls.)	173,126	173,238	203,996	260,000																	
Net Gas Production (Mmcf.)	716	707	849	860																	
Net Production Income	\$523,487	\$540,990	\$617,795	\$753,000																	
36. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.	<p>Yes; Bralorne Oil & Gas Limited, one of the Companies which amalgamated on June 15, 1967, to form the Company paid the following dividends:</p> <table><tr><td>Date</td><td>Per Share Rate</td><td>Amount Paid</td></tr><tr><td>June 12, 1962</td><td>2½¢</td><td>\$5,288.97</td></tr><tr><td>July 5, 1963</td><td>2½¢</td><td>\$5,288.97</td></tr><tr><td>May 31, 1964</td><td>2½¢</td><td>\$5,288.97</td></tr></table> <p>Bralorne Petroleum Ltd., a wholly-owned subsidiary of the Company paid a dividend of 16½¢ on each preference share on October 31, 1963, for a total dividend of \$4,524.00.</p>	Date	Per Share Rate	Amount Paid	June 12, 1962	2½¢	\$5,288.97	July 5, 1963	2½¢	\$5,288.97	May 31, 1964	2½¢	\$5,288.97								
Date	Per Share Rate	Amount Paid																			
June 12, 1962	2½¢	\$5,288.97																			
July 5, 1963	2½¢	\$5,288.97																			
May 31, 1964	2½¢	\$5,288.97																			
37. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	Chambers, Saucier, Jones, Peacock, Black, Gain & Stratton 300 Bentall Building, Calgary 2, Alberta.																				
38. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.	Yes; the Vancouver Stock Exchange listed the shares of the Company on June 26, 1969.																				
(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.	NO.																				
(c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? If so, give particulars.	NO.																				
39. Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	See Schedule "B" on page 16.																				
40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing.	Except for contracts entered into by the Company in the ordinary course of its business, the only material contract still outstanding is a contract with Chemcell Resources Limited ("Chemcell"), dated as of October 31, 1969, relating to the carrying out of joint programmes under the Company's supervision and management until December 31, 1974, for the exploration, acquisition and development of oil and gas properties as well as an option on shares of the Company as referred to in Item 16. This contract also provides for the payment of management fees to the Company by Chemcell at the rate of 9% for funds provided for exploration purposes and 2% for funds provided for acquisition of proven or producing reserves. The Company will have a 25% interest and Chemcell a 75% interest in joint account lands and production therefrom but costs																				

40.—Continued	of exploration including land acquisition, seismic work, and drilling to casing point will be shared 12½% by the Company and 87½% by Chemcell. Costs beyond casing point will be shared 25% by the Company and 75% by Chemcell. The costs of acquisition and the production therefrom will be shared 25% by the Company and 75% by Chemcell; however, after Chemcell recovers its acquisition costs from production, the Company's share will increase to 32½% and Chemcell's share will reduce to 67½%. The agreement may be terminated if Chemcell does not accept work programmes submitted by the Company or commit funds for expenditure thereon for a period greater than three calendar quarters, or if Chemcell fails to purchase the treasury shares of the Company to which it is entitled.
41. Any other material facts not disclosed in the foregoing.	NIL.

42. STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL

as of May 11, 1970

FREE STOCK	Shares
(a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees).	615,057
(b) Distributed and in the hands of the promoters, officers and directors of the Company and their agents or trustees.	2,259,943
Total free stock	2,875,000
ESCROWED OR POOLED STOCK	
(c) Held in escrow or pool as set out in Item 19 of this application	Nil
Total issued capital	2,875,000
RECORD OF SHAREHOLDERS	
Number of registered shareholders holding shares in class (a) above	286
Number of registered shareholders holding shares in class (b) above	14
Number of registered shareholders holding shares in class (c) above	Nil

43. STATEMENT SHOWING NUMBER OF SHAREHOLDERS

as of May 11, 1970

Number	Shares
15 Holders of 1 — 99 shares	678
126 " " 100 — 499 "	27,216
58 " " 500 — 999 "	31,422
61 " " 1000 — 1999 "	67,752
12 " " 2000 — 2999 "	25,500
7 " " 3000 — 3999 "	22,500
2 " " 4000 — 4999 "	9,200
19 " " 5000 — up "	2,690,732
<u>300</u> Stockholders	<u>Total shares</u>
	<u>2,875,000</u>

37,600 shares are registered in the name of Emanuel Deetjen & Co. which are beneficially owned by 38 shareholders.

Similarly 33,600 shares are registered in the name of Burns Bros. and Denton Limited which are beneficially owned by 11 shareholders.

Dated at Calgary, the 31st day of July, 1970.

BRALORNE OIL & GAS LIMITED



"HARRY DERNICK",
President

"P. G. WISEMAN",
Secretary

SCHEDULE "A" (See page 4, Items 27 and 28)

BRALORNE OIL & GAS LIMITED

OIL PROPERTIES

Name of Field and Well	Location	Type of Ownership	Producing Acreage	Remaining Recoverable Reserves (Bbls.)	Burdens and Royalties	Company's Working Interest (%)	Company's Net Interest (Bbls.)
(a) PROVEN OIL RESERVES							
1. Alberta							
Countess (BO&G et al 16-19)	T19 R16 W4	Lease	160	290,500	15 + 1.5 + 1/150 (5-15)	25	56,900
Coutts (Moulton 'A' Unit No. 1)	T1 R16 W4	Unitized	320	1,470,700	Cr. + 5 orr + 1/200 (5-15)	27.5	321,300
Coutts (Camac et al Coutts 3-28)	T1 R16 W4	Lease	80	50,000	Cr. + 5%	12.5	6,250
Grand Forks (Twin Bralorne 13-12)	T 12 R14 W4	Lease	160	258,000	Cr. + 1/150 (5-15)	25	47,900
Grand Forks (Twin et al 4-13)	T 12 R14 W4	Lease	160	260,000	Cr.	12.5	27,400
Joffre-Viking (Sand Unit Segment 'A')	T38-39 R25-27 W4	Unitized	2,080	300,000	Cr. + 6.25 orr	1.4729820	3,700
Nipisi (Gilwood 'A' Unit)	T78-81 R7-9 W5	Unitized	45,120	187,164,000	Cr.	0.04859	76,200
Provost (Viking 'A' Unit)	T37 R7 W4	Unitized	8,715	248,000	Cr. + 1/150 (5-15)	Int. 2.11972 Fin. 3.83790	4,600
Provost (Altair et al 7-6)	T36 R9 W4	Lease	160	12,700	Cr. + 6.25 orr	15	1,600
Rainbow (Keg River 'B' Pool)	T108-109 R8 W6M	Unitized	2,980	147,044,000	Cr. + 1.6 orr	1.04160	1,251,900
Virgo 12-26	NW¼-26-114-6	Lease	160	1,500,000	Cr. + 1/150 (5-15)	12.5	88,000
Virgo 3-22	S½-22-114-6	Lease	160	750,000	Cr. + 50% net profit	12.5	47,000
Virgo 8-27	E½-27-114-5 W6	Lease	160	750,000	Cr. + 50% net profit	12.5	47,000
TOTAL, ALBERTA							1,979,750
2. Saskatchewan							
Avon Hill (Carleton et al 2-20)	T30 R22 W3	Lease	80	15,500	Cr. + 8 orr	26	3,500
Avon Hill (Carleton et al 8-20)	T30 R22 W3	Lease	80	44,800	Cr. + 8	26	9,700
Doddsland (Gleneath Viking Unit)	T31 R22 W3	Unitized	7,360	8,362,000	Cr.	0.64592	4,900

SCHEDULE "A"—Continued

BRALORNE OIL & GAS LIMITED

OIL PROPERTIES—Continued

Name of Field and Well	Location	Type of Ownership	Producing Acreage	Remaining Recoverable Reserves (Bbls.)	Burdens and Royalties	Company's Working Interest (%)	Company's Net Interest (Bbls.)
Saskatchewan—Continued							
Macoun (Macoun 16-14)	T4 R10 W2	Lease	80	Not yet available	Cr. + various	25	Not yet available
South Parkman (Summit et al 16-9)	T8 R33 W1	Lease	80	32,000	15.5 + 2 orr	10	2,700
South Parkman (Summit et al 4-15)	T8 R33 W1	Lease	80	106,500	15.5 + 2 orr	10	8,600
South Parkman (Summit et al 6-15)	T8 R33 W1	Lease	80	176,100	15.5 + 2 orr	10	14,200
Northgate (Bralorne et al 7-12)	T1 R3 W2	Lease	80	238,500	12½ % + various g.orr's	12.5	16,910*
Queensdale (Bralorne et al 6-13)	T13 R1 W2	Lease	80	388,300	12½ % + various g.orr's	7.03125	13,520*
Queensdale (Bralorne et al 10-13)	T6 R1 W2	Lease	80	300,000	12½ % + various g.orr's	11.71875	17,400*
Queensdale (Bralorne et al 15-13)	T6 R1 W2	Lease	80	601,400	12½ % + various g.orr's	14.06250	46,970*
Souris Flats (Bralorne et al 1-1)	T2 R34 WPM	Lease	80	203,000	12½ % + various g.orr's	9.375	15,748*
Souris Flats (Bralorne et al 7-1)	T2 R34 WPM	Lease	80	148,000	12½ % + various g.orr's	9.375	11,482*
Viewfield (Francana et al 7-28)	T7 R8 W2	Lease	80	200,000	12½ % + various g.orr's	12.50	22,000
TOTAL, SASKATCHEWAN							187,630

*Net reserves after applicable royalties.

3. Manitoba

Maples (Texas Crude Oil Maples 1-17)	T10 R26W.1M	Lease	40	Shut in	12.5 + 6.25 orr	100	Nil
Maples (Bralorne Pascas Maples 7-17)	T10 R26W.1M	Lease	40	12,300	12.5 + 6.25 orr	100	10,000
Routledge (Routledge Unit No. 1)	T9 R25 WP	Unitized	4,320	7,300,000	Various	22.09854	1,187,800
Virden-Roselea (Unit No. 1)	T10 R26 WP	Unitized	3,280	8,454,000	12.5 + 4 orr	0.94070	66,400
Virden-Roselea (Unit No. 2)	T10 R26 WP	Unitized	760	2,383,000	Various	11.95841	218,200
Virden-Roselea (Unit No. 3)	T10 R26 WP	Unitized	4,320	8,170,000	Various	0.79818	53,700

SCHEDULE "A"—Continued

BRALORNE OIL & GAS LIMITED

OIL PROPERTIES—Continued

Name of Field and Well	Location	Type of Ownership	Producing Acreage	Remaining Recoverable Reserves (Bbls.)	Burdens and Royalties	Company's Working Interest (%)	Company's Net Interest (Bbls.)
Manitoba—Continued							
Viriden-Roselea (Bralorne Viriden 13-16)	T10 R26 W1	Lease	40	11,600	12.5 Cr. + 4 orr	100	9,700
Viriden-Roselea (Bralorne Viriden 9-17)	T10 R26 W1	Lease	40	2,200	12.5 + 4 orr	100	1,800
Viriden-Roselea (Bralorne Viriden 10-17)	T10 R26 W1	Lease	40	9,000	12.5 + 6 orr	100	7,500
Viriden-Roselea (Bralorne Viriden 11-17)	T10 R26 W1	Lease	40	Nil	12.5 + 4 orr	100	Nil
Viriden-Roselea (Bralorne Viriden 14-17)	T10 R26 W1	Lease	40	4,300	12.5 + 4 orr	100	3,600
Viriden-Roselea (Bralorne Viriden 16-17)	T10 R26 W1	Lease	40	9,000	12.5 + 6 orr	100	7,300
Viriden-Roselea (Bralorne Viriden 6-20)	T10 R26 W1	Lease	40	4,300	12.5 + 4 orr	100	3,600
Viriden-Roselea (Bralorne Pascal Viriden 5-29)	T10 R26 W1	Lease	40	Nil	12.5 + 4 orr	100	Nil
Viriden-Roselea (Bralorne Viriden 6-36)	T10 R26 W1	Lease	40	Nil	12.5 + 7 orr	100	Nil
Viriden-Roselea (Chevron Bralorne Viriden 5-7)	T11 R25 W1	Lease	40	Nil	12.5 + 9 orr	50	Nil
Viriden-Roselea (Chevron Bralorne Viriden 7-12)	T11 R26 W1	Lease	40	Shut in	Cr.	50	—
Viriden-Roselea (Chevron Bralorne Viriden 8-12)	T11 R26 W1	Lease	40	28,700	Cr.	50	12,600
South Maples (Bralorne 11-26)	T9 R26 W1	Lease	40	Nil	12.5 + 6 orr + s.s. orr 5-12½	100	Nil
TOTAL, MANITOBA							1,582,200
TOTAL, PROVEN OIL RESERVES							3,749,580

SCHEDULE "A"—Continued

BRALORNE OIL & GAS LIMITED

OIL PROPERTIES—Continued

Name of Field and Well	Location	Type of Ownership	Producing Acreage	Remaining Recoverable Reserves (Bbls.)	Burdens and Royalties	Company's Working Interest (%)	Company's Net Interest (Bbls.)
(b) PROBABLE RESERVES							
1. Alberta							
Coutts (Moulton 'A' Unit No. 1)	T1 R16 W4	Unitized	N/A	1,179,300	Cr. + 5 + 1/200 (5-15)	27.5	194,900
Provost (Provost Viking 'A' Unit)	T37 R7 W4	Unitized	N/A	2,287,000	Cr. + 1/150 (5-15)	Int. 2.11972 Fin. 3.83790	42,200
						TOTAL, ALBERTA	237,100
2. Manitoba							
Routledge (Routledge Unit No. 1)	T9 R25 WP	Unitized	N/A	1,000,000	Various	22.09854	162,700
Virden-Roselea (Virden Roselea Unit No. 1)	T10 R26 WP	Unitized	N/A	2,465,000	12.5 + 4 orr	0.94070	19,400
Virden-Roselea (Virden Roselea Unit No. 2)	T10 R26 WP	Unitized	N/A	650,000	Various	11.95841	59,500
Virden-Roselea (Virden Roselea Unit No. 3)	T10 R26 WP	Unitized	N/A	2,500,000	Various	0.79818	16,500
Virden-Roselea (Bralorne Virden 6-36)	T10 R26 W1	Lease	40	40,900	12.5 + 7 orr	100	32,900
Virden-Roselea (Chevron Bralorne Virden 8-12)	T11 R26 W1	Lease	40	35,700	Cr.	50	15,600
						TOTAL, MANITOBA	306,600
						TOTAL, PROBABLE RESERVES	543,700
						TOTAL, PROVEN PLUS PROBABLE RESERVES	4,293,280

Annual Report 1969



Bralorne Oil & Gas Limited

The Years Highlights

NET PRODUCTION

	1969	1968
Oil production, barrels	203,996	173,328
Daily average, barrels	559	475
Gas production, MCF	849,000	707,000
Daily average, MCF	2,300	1,900

SALES & EARNINGS

Crude oil and natural gas sales	\$ 617,795	\$ 540,990
Management fees earned	33,928	200
Net income before provisions	194,516	212,152
Per share07	.08
Net loss	57,041	45,403
Per share	(.02)	(.02)

LAND HOLDINGS

Gross acres	11,384,477	10,399,107
Net acres	1,588,602	1,097,135
Royalty acres	15,159	—

NET RESERVES

Oil and Condensate, barrels		
Proven	3,593,000	1,159,000
Probable	544,000	—
Total	4,137,000	1,159,000
Natural gas, MCF — proven	26,871,000	20,000,000

Bralorne Oil & Gas Limited

Incorporated under the laws of the Province of Alberta
Capital: 5,000,000 Shares without Nominal or Par Value

Directors

Douglas A. Berlis, Q.C., Toronto, Ontario
Partner, Edison, Aird & Berlis

C. A. Burns, Toronto, Ontario
Executive Vice-President, Bralorne Can-Fer Resources Limited
President, C. A. Burns Consulting Limited

*George H. Davenport, Vancouver, British Columbia
President, Bralorne Can-Fer Resources Limited

*Harry Dernick, Calgary, Alberta
President and Chief Executive Officer, Bralorne Oil & Gas Limited

*C. Geoffrey Edge, Montreal, Quebec
Vice-President, Corporate Development, Chemcell Limited

Robert C. Heim, New York, New York
Vice-Chairman, Schroder Rockefeller & Co. Incorporated

John L. Kemmerer, Jr., New York, New York
President, Whitney & Kemmerer, Inc.

Clifford S. Malone, Montreal, Quebec
Chairman and President, Chemcell Limited

**Paul Porzelt, New York, New York
Chairman of the Board, Bralorne Can-Fer Resources Limited

*Chairman, Executive Committee *Member, Executive Committee

Officers

George H. Davenport, *Chairman of the Board*

Harry Dernick, *President and Chief Executive Officer*

Thomas F. Griffin, C.A., *Treasurer*

Peter G. Wiseman, *Secretary*

Edward L. Richardson, *Assistant Secretary*

Auditors

Price Waterhouse & Co.
Calgary, Alberta

Transfer Agent & Registrar
The Royal Trust Company
Calgary, Toronto and Vancouver

Registered Office

736 - 8th Avenue, S.W.
Calgary 2, Alberta

Wholly-Owned Subsidiary Companies

Bralorne Petroleums Ltd.
Carleton Oil & Gas Development Co. Ltd.
Junior Oils Ltd.

Bralorne Oil & Gas Limited

Report to the Shareholders:

During 1969 your Board of Directors took certain steps which have transformed Bralorne Oil & Gas Limited from a small, scarcely-known unit to an aggressive and well-financed Company in the Canadian petroleum industry.

The first of these steps was the election, in March 1969, of Mr. Harry Dernick to the presidency of the Company. Mr. Dernick has been active in the oil and gas industry in Canada and the United States since 1947 and has a successful record of acquiring and developing oil and gas production.

During the fourth quarter of 1969 an agreement was entered into with Chemcell Resources Limited, a subsidiary of Chemcell Limited, a major manufacturer of chemicals, synthetic fibres, fabrics and carpets. Chemcell Limited, having decided to move into the oil and gas business, investigated a large number of companies before selecting Bralorne Oil & Gas Limited to manage its investments in this field.

Under the agreement, Chemcell expects to invest up to \$10,400,000 within the next five years in the exploration for and acquisition of oil and gas properties, with Bralorne acting as manager. As a result Bralorne will earn fees and working interests and will participate in the program on its own behalf. Chemcell has the option, during the five-year period, of progressively acquiring Bralorne treasury shares at \$2 per share until it has a controlling interest at a total cost of between \$5 and \$6 million. Chemcell has purchased 250,000 shares to date.

Pursuant to the agreement, Mr. Clifford S. Malone, Chairman and President, and Mr. C. Geoffrey Edge, Vice-President, Corporate Development, of Chemcell Limited were appointed to the Board of Directors of Bralorne Oil & Gas.

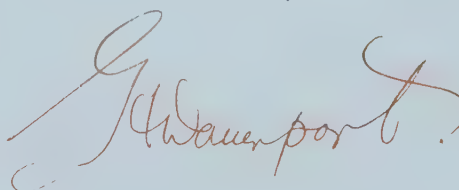
The demand for oil and gas in Canada and the United States continues to increase. As a result, production in the last quarter surpassed all previous records in the history of western Canada. We believe that the industry, through research and use of new techniques, is capable of developing new oil and gas discoveries to supply the ever-increasing demand.

For the year 1970, the Company has planned for the most extensive exploration program in its history and will manage and participate in exploration ventures which will involve major reserve attempts as well as low risk wildcats. The Company is in a position to intensify its exploration program in every area of Canada and anticipates that it will participate in a minimum of 50 exploratory ventures.

A complete review of operations by Mr. Harry Dernick, President, is included in this report.

The Directors wish to express their appreciation to the employees for their contributions to the Company's growth, and to all shareholders for their continuing support.

On behalf of the Board,

A handwritten signature in dark ink, appearing to read "G. Davenport". The signature is fluid and cursive, with a large initial "G" and a long, sweeping underline.

George H. Davenport,
Chairman

April 3, 1970

Bralorne Oil & Gas Limited

President's Report to the Shareholders:

I take pleasure in reviewing the activities and progress of your Company for the year ended December 31, 1969.

Revenue from oil and gas sales increased to \$617,795 from \$540,990 in 1968. Net income before provisions for depreciation, depletion and mining exploration costs decreased from \$212,152 in 1968 to \$194,516. The decrease was due primarily to additional administrative and legal costs during the period of re-organization. As these costs are non-recurring, and the Company will earn increased management fees under the agreement with Chemcell Limited, net income should increase in 1970.

After provisions for depreciation and depletion totalling \$226,318, and the write-off of mining exploration costs of \$25,239, the net loss for the year was \$57,041 compared to \$45,403 in 1968.

ACQUISITIONS

Pursuing a policy to increase its oil and gas reserves, the Company acquired in June, 1969, all the outstanding shares of Carleton Oil & Gas Development Co. Ltd. This new subsidiary owns interests in producing properties located in the Yoyo Gas field in British Columbia, Nipisi Gilwood Provo-Viking and the Rainbow Keg River "B" Oil Units in Alberta, and in Dodsland field in Saskatchewan. The acquisition added 1,361,000 barrels of oil and 14 billion cubic feet of gas to the reserves.

In January, 1970, all outstanding shares of Junior Oils Ltd. were acquired. Junior also owns interests in the Yoyo Gas field and Rainbow Keg River "B" Oil Unit which complement those held by Carleton. This acquisition will add approximately 700,000 barrels of oil and 13 billion cubic feet of gas to the reserves.

Bralorne Oil & Gas is also endeavouring to acquire additional interests in units in which it is presently participating. In line with this policy, the interest in the Coutts Moulton "A" Unit in southern Alberta has been increased from 10% to 27½%.

PRODUCTION

Gross production reached new highs in 1969. Production of crude oil averaged 559 barrels a day, an increase of 84 barrels a day or 18% over the 1968 rate. Natural gas production averaged 2.3 million cubic feet per day, an increase of 0.4 million cubic feet a day or 21% over the 1968 rate.

The increases were due to acquisitions and to higher allowables. As the exploration program matures, further significant increases can be expected from new production.

Operating costs were significantly reduced due to increased participations in operating units and to pooling of production facilities.

RESERVES

Based on a study by an independent consultant, the net proven and probable reserves at year-end amounted to 4,137,000 barrels of oil and 27 billion cubic feet of gas, compared to 1,159,000 barrels and 20 billion cubic feet respectively at December 31, 1968. The increase is attributable to unitization of properties, acquisitions and to a considerable re-evaluation adjustment arising from better than anticipated performance of the Manitoba properties.

The reserves of Junior Oils Ltd., acquired in January 1970, are not included in the above figures.

EXPLORATION

ALBERTA

Milk River: The Coutts Moulton "A" Unit was formed effective December 1, 1969. Water injection will commence in 1970 and an increase in the allowable is anticipated as soon as re-pressuring is effective.

Rainbow-Virgo: The Company is participating in a four-well exploratory program in the Rainbow-Virgo area. The first well encountered 248 feet of oil bearing reef; another was completed with 80 feet of oil bearing reef; one was dry and the last is an indicated producer.

Countess: A discovery was made in the Countess area in the Claconitic sand in which the Company has a 25% interest until payout and a 12½% interest thereafter. An interest is also held in the offsetting lands. Additional drilling is anticipated in 1970.

Winnifred: The Company drilled five wells and completed three as gas wells. A 25% interest was earned in the spacing units and a 5% interest in 30,000 acres of proven and wildcat acreage.

Other Prospects: Bralorne Oil & Gas has participated in several seismic surveys and exploration wells throughout Alberta. Every effort will be made to obtain a favourable acreage position in the Alberta Foothills in the next year.

SASKATCHEWAN AND NORTHWEST TERRITORIES

A discovery was made in the Mississippian zone, South Parkman field, Saskatchewan. Three producing wells were completed in which the Company owns a 10% interest.

In the Northwest Territories the Company is participating in a seismic program north of Great Slave Lake in the Fort Simpson Basin. For conducting the survey in partnership with other companies, a 6.2% interest will be earned in 184,000 acres. There is a potential for reef anomalies comparable to the Rainbow-Virgo-Zama areas. This is one of the most active sectors in western Canada.

HUDSON BAY AND ARCTIC ISLANDS

The Company is maintaining a 10% interest in 10,253,961 acres in the Hudson Bay – James Bay area. One of two planned stratigraphic test wells was drilled in 1969 and the second, Pen No. 2, will be drilled in 1970. The wells will provide a correlation base for the seismic survey that has been conducted over the permits.

In the Arctic Islands, Bralorne, in partnership with another company, acquired by filing approximately 1,000,000 acres of offshore per-

mits located in Lancaster Sound. The tanker "Manhattan" tested the route on its historic voyage to the Alaskan North Slope. It is one of the few areas readily accessible by tankers.

The Company participated in a reconnaissance aeromagnetic survey conducted by Polarquest. Sediments from 5 to 20 thousand feet thick are indicated.

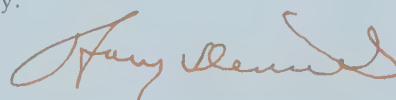
MINERAL EXPLORATION

Bralorne Oil & Gas participates in mineral exploration through its 12½% interest in the Can-Fer Exploration Syndicate.

The Syndicate is exploring uranium prospects in the Wollaston Lake region of northern Saskatchewan and in north-western Ontario. It is also carrying out programs covering base metals prospects in British Columbia and Ontario. In Alberta extensive testing is in progress on coking coal deposits in the Savanna Creek area. Work thus far on 5 of 35 sections held has provided a preliminary estimate of 6 million tons of strippable coking coal and 56 million tons of underground coking coal above natural drainage level. There are additional reserves below this level.

STAFF

The Company has strengthened its exploration staff with the addition of an exploration manager and a senior exploration geologist. Mr. Ronald A. Howard, a graduate geologist from the University of Alberta with 16 years' experience in western Canada and foreign exploration, took over the duties of exploration manager effective June 1, 1969. Mr. Norman Paarup, a graduate geologist from Colorado College with 10 years of exploration experience in western Canada, was appointed senior exploration geologist in November, 1969. The depth of experience of the geological staff will be a valuable key to the future success of the Company.



Harry Dernick,
President

April 3, 1970.

Bralorne Oil & Gas Limited and subsidiary companies

Consolidated Balance Sheet — December 31, 1969

Assets

	<u>1969</u>	<u>1968</u>
CURRENT ASSETS:		
Cash	\$ 315,251	\$ 411,916
Short term investments, at cost	—	15,121
Accounts receivable	106,626	80,314
Inventories of stores and supplies, at the lower of cost or estimated realizable value	21,674	25,091
Refundable deposits and prepaid items	31,368	14,747
	<u>474,919</u>	<u>547,189</u>
OTHER ASSETS:		
Loan to an officer of the company (Note 2)	80,000	—
Interest in mining syndicate, at cost (Note 3)	36,669	8,659
5% refundable tax	—	1,944
	<u>116,669</u>	<u>10,603</u>
CAPITAL ASSETS, at cost: (Note 3)		
Petroleum and natural gas interests, less accumulated depletion of \$1,108,533 (\$951,162 in 1968)	3,189,544	1,829,495
Production and other equipment, less accumulated depreciation of \$294,356 (\$301,252 in 1968)	405,499	400,744
	<u>3,595,043</u>	<u>2,230,239</u>
INCORPORATION AND STOCK ISSUE COSTS	25,810	25,810
	<u>\$4,212,441</u>	<u>\$2,813,841</u>

Liabilities

	1969	1968
CURRENT LIABILITIES:		
Bank loan	\$ 150,000	\$ —
Accounts payable	418,061	103,710
Current portion of term bank loan	140,400	—
	708,461	103,710
DEFERRED GAS SALES	—	19,468
TERM BANK LOAN, secured by an assignment of production	680,758	—
Less — Estimated repayments within one year included in current liabilities	140,400	—
	540,358	—
SHAREHOLDERS' EQUITY:		
Share capital — (Note 4)		
Authorized —		
5,000,000 shares without nominal or par value issuable for an aggregate consideration not to exceed \$5,000,000		
Issued —		
2,725,000 shares, of which 225,000 shares were issued for cash in 1969	2,892,551	2,562,551
Retained earnings, per statement attached	71,071	128,112
	2,963,622	2,690,663
APPROVED BY THE BOARD:		
Paul Porzelt, Director		
Harry Dernick, Director		
	\$4,212,441	\$2,813,841

Auditors' Report

To the Shareholders of Bralorne Oil & Gas Limited:

We have examined the consolidated balance sheet of Bralorne Oil & Gas Limited and its subsidiary companies as at December 31, 1969 and the consolidated statements of income and retained earnings and source and disposition of working capital for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and disposition of their working capital for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the change in accounting for mining exploration costs as explained in Note 3 to the financial statements.

Calgary, Alberta
March 4, 1970

PRICE WATERHOUSE & CO.
Chartered Accountants.

Bralorne Oil & Gas Limited and subsidiary companies

Consolidated Statement of Income and Retained Earnings

For the Year Ended December 31, 1969

	<u>1969</u>	<u>1968</u>
Sales and other income:		
Oil and gas sales	\$ 617,795	\$ 540,990
Management fees	33,928	200
Interest income	31,735	36,055
	<u>683,458</u>	<u>577,245</u>
Costs and expenses:		
Production expenses	188,615	211,728
Administrative and general expenses	262,675	153,365
Interest expense	37,652	—
	<u>488,942</u>	<u>365,093</u>
	<u>194,516</u>	<u>212,152</u>
Provisions for: (Note 3)		
Depletion	196,482	188,386
Depreciation	29,836	41,741
Mining exploration costs (Note 3)	25,239	27,428
	<u>251,557</u>	<u>257,555</u>
Loss for the year (Note 5)	<u>(57,041)</u>	<u>(45,403)</u>
Retained earnings — beginning of year —		
As previously reported	119,453	173,515
Retroactive adjustment of mining exploration costs (Note 3)	8,659	—
As restated	<u>128,112</u>	<u>173,515</u>
Retained earnings — end of year	<u>\$ 71,071</u>	<u>\$ 128,112</u>

Bralorne Oil & Gas Limited and subsidiary companies

Consolidated Statement of Source and Application of Working Capital

For the Year Ended December 31, 1969

	1969	1968
Source of working capital:		
Loss for the year	\$ 57,041	\$ 45,403
Add — Provisions for depletion and depreciation which do not involve a current outlay of working capital	226,318	230,127
	169,277	184,724
Deferred gas sales	(19,468)	19,468
Receipt of 5% refundable tax	1,944	5,206
Proceeds on sale of capital assets	284,450	—
Costs recovered on equalization of investment in oil and gas unit	—	60,098
Issue of 225,000 shares	330,000	—
	766,203	269,496
Disposition of working capital:		
Acquisition of petroleum and natural gas interests	1,530,504	63,834
Less — Production bank loan assumed	718,957	—
	811,547	63,834
Oil and gas exploration and development	232,939	267,821
Purchase of production and other equipment	112,129	37,256
Mining syndicate exploration costs, less amounts charged to current income	28,010	8,659
Loan to an officer of the company	80,000	—
Reduction of term bank loan	178,599	—
	1,443,224	377,570
Decrease in working capital	(677,021)	(108,074)
Working capital, beginning of year	443,479	551,553
Working capital, end of year	\$ (233,542)	\$ 443,479

Notes to Financial Statements

December 31, 1969

1. BASIS OF CONSOLIDATION:

The consolidated financial statements include the accounts of the Company's two subsidiaries, Bralorne Petroleums Ltd. and Carleton Oil & Gas Development Co. Ltd., which are wholly owned. Carleton was acquired as of June 30, 1969 and its results of operations have been consolidated from that date.

The excess of the cost of shares of the subsidiaries over the book value of their net assets at dates of acquisition have been applied to petroleum and natural gas interests and depletion is provided thereon.

2. LOAN TO AN OFFICER OF THE COMPANY:

The loan was made to an officer director for his purchase of 100,000 shares of the Company. It is secured only by the related share certificates without other recourse to the debtor. The certificates are to be released to the debtor pro-rata to the loan repayments in ten annual instalments.

3. ACCOUNTING PRACTICES:

The companies follow the full cost method of accounting whereby all costs relating to the exploration for and development of oil and gas reserves are capitalized, whether productive or unproductive, and proceeds on disposal of properties are ordinarily deducted from costs without recognition of profit or loss. Depletion of oil and gas properties is computed on the total of all such costs by the unit of production method based on overall estimates of proven reserves of oil and gas. Depreciation of production equipment is also computed by the unit of production method based on overall reserves. In 1969 the Company adopted the practice, with retroactive effect, of deferring mining syndicate exploration costs where properties continue under examination; such costs will be amortized against production from such properties or written off upon cessation of work thereon. In 1968 such costs were charged against income as incurred. This change had the effect of reducing the loss for 1969 by

\$28,010. For comparison, the 1968 accounts have been restated by \$8,659 in respect of costs now deferred.

4. SHARE CAPITAL:

On October 31, 1969 the Company concluded an exploration agreement with Chemcell Resources Limited whereby that company may invest up to \$10,400,000 to the end of 1974 in oil and gas properties with Bralorne acting as manager of the funds and earning fees and working interests as well as participating in the programs on its own behalf.

Pursuant to the agreement, Chemcell Resources has purchased 125,000 shares of the Company's capital at \$2 per share and has been granted an option to purchase additional shares at the same price. The option is exercisable at the minimum rate of 125,000 shares per quarter provided that, on a cumulative basis, its investment in the exploration program has equalled twice the aggregate issue price of the shares which will then have been issued under the agreement. When its exploration expenditures under the program equal \$10,400,000 Chemcell Resources may purchase sufficient additional shares which would provide it with an aggregate holding of 50 percent plus 1 share of the issued, outstanding and reserved capital of the Company. The agreement also imposes certain restrictions on Bralorne and its subsidiaries, which may be waived.

The Company intends to apply for an increase in its authorized share capital of at least 5,000,000 additional shares without nominal or par value and to reserve 2,475,000 shares thereof to satisfy the exercise in full of this option.

100,000 shares of the Company have been reserved for incentive options which may be granted from time to time to officers and employees. During the year options on 45,000 shares were granted at a price of \$1.00 per share and on a further 5,000 shares at a price of \$1.60 per share. The options are for a term of five years and become exercisable cumula-

tively as to one-fifth of the shares under option each year. At December 31, 1969 none of the options had been exercised.

5. INCOME TAXES:

For income tax purposes the companies are entitled to claim drilling, exploration and lease acquisition costs and capital cost allowances (depreciation) in amounts which may exceed the related depletion and depreciation provisions reflected in their accounts; for 1968 and 1969 the companies do not intend to claim capital cost allowances in excess of recorded depreciation. At December 31, 1969 unclaimed drilling, exploration and lease acquisition costs of \$745,000 and undepreciated capital costs of \$215,000 remain to be carried forward and applied against future taxable income.

The Accounting and Auditing Research Committee of The Canadian Institute of Chartered Accountants recommends income tax allocation for all differences in the timing of deductions for tax and accounting purposes. However, with respect to drilling, exploration and lease acquisition costs, the recommendation is questioned by the petroleum industry and this treatment has therefore not been applied to such differences in the timing of deductions for tax and accounting purposes. This view conforms with general practice in the oil and gas industry and is accepted by accounting authorities outside Canada.

If the tax allocation basis had been followed for all timing differences between taxable income and reported losses the income statement would have reflected a charge for deferred income taxes in 1969 of \$ 22,000 and a credit for deferred income taxes in 1968 of a minor amount. The accumulated income tax reductions to December 31, 1969 approximate \$875,000 after including the accumulated tax reductions of subsidiaries at dates of acquisition amounting to \$769,000.

6. STATUTORY INFORMATION:

The aggregate direct remuneration paid by the

Company and its subsidiaries to all directors and senior officers of the Company was \$82,130 for the year ended December 31, 1969.

7. SUBSEQUENT EVENT:

By an agreement dated January 23, 1970 the Company agreed to purchase all of the shares of Junior Oils Ltd. in consideration for the issue of 25,000 shares of the Company and the payment of \$300,000.

Bralorne Oil & Gas Limited

Annual Report 1969.



PRINTED IN CANADA

SCHEDULE "A"—Continued

BRALORNE OIL & GAS LIMITED

GAS PROPERTIES

Name of Field and Well	Location	Type of Ownership	Producing Acreage	Remaining Recoverable Reserves (Bbls.)	Burdens and Royalties	Company's Working Interest (%)	Company's Net Interest (MMcf.)
(c) PROVEN PIPELINE GAS RESERVES							
1. British Columbia							
(i) Proven Drilled							
Yoyo (Placid Frontier Yoyo D-A15-I) Units 14, 15, 24, 25-I	94-I-13	Royalty*	660	See Total	Cr. + Sundry	*	See Total
Yoyo (Placid Frontier Yoyo b-10-L & Frontier Yoyo c-18-L) Units 1 & 2-I	94-I-13)						
Units 10-L	94-I-14)	Royalty*	661	See Total	Cr. + Sundry	*	See Total
Units 100E	94-I-14)						
Units 18, 19, 28, 29-L	94-I-14	Royalty*	660	See Total	Cr. + Sundry	*	See Total
(ii) Proven Undrilled							
Yoyo (Units 86, 87, 76, 77-E)	94-I-14	Lease	660	See Total	Cr. + Sundry	20.3125	—
		Total, Yoyo		138,498**			26,114**
						TOTAL, BRITISH COLUMBIA	
							26,114
*Company's royalty is 12½ % convertible to a 25 % working interest after payout.							
**Production and reserves are calculated on a field basis including purchase of an additional 4.6875 % after December 1, 1969.							
2. Alberta							
Carseland (Apache et al Carseland 6-21)	T22 R25 W4	Lease	640	No Economic Reserves	15 + 5 orr	25	—
Coutts (Camac Mav Coutts 4-18)	T1 R15 W4	Lease	640	1,255	Cr.	6.25	65
Countess (Countess-Lake Newell Gas Unit)	T18 R15 W4	Unitized	5,120	18,000	C.P.R. royalty	1.41345	254

SCHEDULE "A"—Continued

BRALORNE OIL & GAS LIMITED

GAS PROPERTIES—Continued

Name of Field and Well	Location	Type of Ownership	Producing Acreage	Remaining Recoverable Reserves (Bbls.)	Burdens and Royalties	Company's Working Interest (%)	Company's Net Interest (MMcf.)
Alberta—Continued							
Drumheller (Altair Drum 1-16)	T29 R19 W4	Lease	160	289	Cr.	10.5	25
Ghost Pine (Ghost Pine Unit)	T29-32 R19-23 W4	Unitized	138,560	568,992	Cr. + 0.067	0.668904 0.036759	3,169 209
Gleichen (Delta CPC Brett Gleichen 12-19)	T22 R22 W4	Lease	640	No Economic Reserves Assigned	—	25	—
Gleichen (Brett et al Gleichen 12-30)	T22 R22 W4	Lease	320	No Economic Reserves Assigned	—	25	—
Gleichen (Pure Gleichen 7-25)	T22 R23 W4	Lease	640	3,550	Cr.	25	751
Wayne-Rosedale (Glauconitic Unit No. 1)							
Pool 'A'			2,877)	45,932			
Pool 'B'	T28-29 R20 W4	Unitized)	2,599)		12.5	18.0879	7,270
Pool 'C')	2,437)				
Winnifred (Potential Unit—Shut in)		Lease		30,000	Cr.	5	1,250
					TOTAL, ALBERTA		12,993
3. Saskatchewan							
South Fosterton (Samedan S. Fosterton 11-27)	11-27-16 18W3	Royalty)	320		Cr. + Sundry		
South Fosterton (Samedan S. Fosterton 16-28)	16-28-16 18W3	Royalty)	160		Cr. + Sundry	—	643
					TOTAL, SASKATCHEWAN		643
					TOTAL, PROVEN RESERVES		39,750

SCHEDULE "A"—Continued

BRALORNE OIL & GAS LIMITED

UNPROVEN PROPERTIES

(as at April 30, 1970)

Area	Type of Interest	Gross Unproven Acres	Net Acres	Company's Interest (%)
BRITISH COLUMBIA				
Siphon	P&NG lease	640	80	12½
Yoyo	Royalty	1,322	N/A	12½ con. to 25 working interest
	P&NG lease	661	165	12½
ALBERTA				
Ardley	P&NG lease	1,095	137	12½
Barrhead	Drilling reservation	7,360	1,380	18¾
Carseland	P&NG lease	3,424	219	6¼
	P&NG lease	4,480	1,120	25
Chauvin	P&NG lease	2,250	562	25
Countess	P&NG lease	800	200	12½
	P&NG lease	480	120	Option to drill a well for 25% working interest subject to royalty of 1/150 (5-15)
Coutts	P&NG lease	1,520	190	12½
Drumheller	P&NG lease	319	33	10.5
	P&NG lease	160	24	15
	P&NG lease	160	29	18.375
Enchant	Crown permit	25,440	6,360	25
Gartley	P&NG lease	158	40	25
	P&NG lease	1,440	498	34.6
	P&NG lease	480	166	34.61549
	P&NG lease	1,440	720	50
Hays	P&NG lease	6,240	780	12½
	P&NG lease	960	240	25
Innisfree	P&NG lease	2,400	2,400	100
Joffre	P&NG lease	80	17	21
Lacombe	P&NG lease	2,800	146	6¼
Long Coulee	P&NG lease	160	160	100
Milk River	P&NG lease	480	60	12½
	P&NG lease	1,600	400	25
	P&NG lease	960	60	6½
Provost	P&NG lease (excluding gas in Viking Zone)	960	48	5
Provost West	P&NG lease	310	23	7.5
	P&NG lease	1,600	240	15
	P&NG lease	1,120	224	20
	P&NG lease	160	24	15
	Natural Gas in Viking Zone only	1,600	240	15
Rapids	Crown permit	5,120	480	Option to drill well for 9.375% working interest
Virgo	P&NG lease	640	80	12½
West Drumheller	P&NG lease	2,560	640	25
Winnifred	P&NG lease	2,517	629	25
	P&NG lease	640	80	25
	P&NG lease	27,666	1,383	5
Wizard Lake	P&NG lease	320	160	50

SCHEDULE "A"—Continued

BRALORNE OIL & GAS LIMITED

UNPROVEN PROPERTIES—Continued

Area	Type of Interest	Gross Unproven Acres	Net Acres	Company's Interest (%)
SASKATCHEWAN				
Arcola	P&NG lease	480	120	25
Battrum	P&NG lease	159	40	25
Covington	P&NG lease	480	120	25
Dodsland	P&NG lease	80	40	50
Fosterton	P&NG lease	480	160	33 $\frac{1}{3}$
	P&NG lease	1,640	820	50
Fosterton South	P&NG lease	639	320	50
Hazlett	P&NG lease	1,440	144	10
Macoun	P&NG lease	480	120	25
Oxbow	P&NG lease	160	80	50
	P&NG lease	320	96	3/5 of 50
	P&NG lease	640	64	1/5 of 50
Parkman South	P&NG lease	800	80	10
	P&NG lease	80	11	14.22
Pennant	P&NG lease	560	140	25
Premier	P&NG lease	160	40	25
Rapdan	P&NG lease	800	140	17.5
	P&NG lease	960	240	25
	P&NG lease	160	160	100
Roseray	P&NG lease	160	40	25
Ogema West No. 1639	P&NG lease	5,120	755	14.75
South Antelope	P&NG lease	160	40	25
South Battrum	P&NG lease	480	120	25
Suffield	P&NG lease	320	80	25
Swift Current	P&NG lease	640	160	25
Torquay	P&NG lease	320	80	25
Viewhill	P&NG lease	400	100	25
Viewfield	P&NG lease	560	140	25
Viscount No. 1737	P&NG lease	2,244	561	25
				Net carried interest
West Success	P&NG lease	40	10	25
MANITOBA				
Daly	P&NG lease	412	206	50
	P&NG lease	1,237	1,237	100
Ebor	P&NG lease	479	240	50
	P&NG lease	481	481	100
Manson	P&NG lease	10,128	—	5 royalty
	P&NG lease	6,903	3,451	50
Souris-Hartney	P&NG lease	1,120	1,120	100
Virden	P&NG lease	1,449	1,449	100
MONTANA				
Clark Ranch	P&NG lease	1,120	140	12 $\frac{1}{2}$
Toole County	P&NG lease	321	40	12 $\frac{1}{2}$
	P&NG lease	240	18	7 $\frac{1}{2}$
	P&NG lease	92	9	10

SCHEDULE "A"—Continued

BRALORNE OIL & GAS LIMITED

PETROLEUM & NATURAL GAS EXPLORATORY PERMITS
(as at April 30, 1970)

Location	Number	Gross Unproven Acres	Net Acres	Company's Interest (%)
Hudson Bay Offshore	W260-W263 incl. W266-W272 incl. W275	489,438	48,944	10
	W1756-W1783 incl.) W3137-W3142 incl.) W3427, W3428) W3438-W3459 incl.) W4236-W4243 incl.)	3,985,501	398,550	10
Onshore (Manitoba)	1-35 incl.	1,538,162	153,816	10
Onshore (Ontario)	13911	986,560	98,656	10
James Bay	14488	3,203,569	320,357	10
Canadian Arctic Island—Somerset East	A5339-A5346 incl.	405,707	202,854	50
Barrow Strait	A5347-A5351 incl. A5434-A5436 incl.	278,501 104,236	139,251 52,118	50 50
Prince Regent Inlet	A5431-A5433 incl.	144,798	72,399	50
Wellington Channel	A5437-A5440 incl.	131,433	65,717	50

BRALORNE OIL & GAS LIMITED

Name and Address	Chief Occupation for past five years
OFFICERS	
<i>Chairman of the Board</i> Paul Porzelt Westwood Farm Sharon, Connecticut	Chairman of the Board of Bralorne Can-Fer Resources Limited since March 31, 1965, and prior thereto Chairman of the Board of Can-Fer Mines Limited.
<i>President and Chief Executive Officer</i> Harry Dernick 1231 Belavista Crescent South West Calgary, Alberta	President and Chief Executive Officer of the Company since March 1, 1969. Prior thereto President, Kilroy Canadian Oil Corporation since February 1, 1968, and prior thereto Vice-President of Camerian Petroleum Corporation in charge of Canadian operations.
<i>Secretary</i> P. G. Wiseman 4376 Arundel Road North Vancouver, British Columbia	Secretary since June, 1967, and prior thereto Secretary-Treasurer Bralorne Can-Fer Resources Limited.
<i>Treasurer</i> T. F. Griffin, C.A. 4657 Connaught Drive Vancouver 9, British Columbia	Treasurer and Chief Financial Officer of Bralorne Can-Fer Resources Limited since June, 1967, and prior thereto associated with Price, Waterhouse & Co.
<i>Assistant Secretary</i> E. L. Richardson 23 Hounslow Drive North West Calgary, Alberta	Accountant of the Company.
DIRECTORS	
D. A. Berlis, Q.C. 1 Suncrest Drive Don Mills, Ontario	Partner, Edison, Aird & Berlis, Barristers and Solicitors.
C. A. Burns 23 Tanager Avenue Toronto 17, Ontario	President, C. A. Burns Consulting Ltd., Consulting Geologists, since September 30, 1967, and prior thereto Partner, Ringsleben & Burns, Consulting Geologists.
G. H. Davenport 101-235 Keith Road West Vancouver, British Columbia	President, Bralorne Can-Fer Resources Limited.
Harry Dernick	See Officers, above.
C. G. Edge Apartment 806, 4488 Ste. Cathérine Street West Westmount 215, Québec	Vice-President, Corporate Development, since April, 1969, prior thereto since March, 1968, Director, Corporate Development, and prior thereto Corporate Director, Management Services of Chemcell Limited, Manufacturer of chemicals, synthetic fibres, fabrics and carpets.
R. C. Heim 206 Pine Road, Briarcliff Manor New York, New York 10510	Vice-Chairman, Schroder Rockefeller & Co. Inc. (Venture Capital Company), since January, 1968. Prior thereto, Vice-President, The Bank of New York, since December, 1966, and prior thereto Executive Vice-President, Empire International Corporation.
Pemberton Hutchinson 309 West Highland Avenue Chestnut Hill, Philadelphia Pennsylvania 19118	Vice-President since March, 1968, and prior thereto Assistant to the President of Penn Virginia Corporation, Coal Land Lessors.
J. L. Kemmerer, Jr. 10 Stewart Road Short Hills, New Jersey 07078	President, Whitney & Kemmerer, Inc., Coal and Coke Sales Agents.
C. S. Malone 593 Argyle Avenue Westmount 217, Québec	Chairman and President since June, 1969, prior thereto President since April, 1966, and prior thereto Executive Vice-President of Chemcell Limited, Manufacturer of chemicals, synthetic fibres, fabrics and carpets.
Paul Porzelt Westwood Farm Sharon, Connecticut	See Officers, above.

FINANCIAL STATEMENTS

BRALORNE OIL & GAS LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 1970
(with comparative figures as at December 31, 1969)

ASSETS

	June 30, 1970	December 31, 1969
CURRENT ASSETS:		
Cash and Time Deposits	\$ 209,544	\$ 315,251
Accounts Receivable	195,126	106,626
Inventory of Materials & Supplies, at cost	20,114	21,674
Refundable Deposits & Prepaid Items	33,865	31,368
	<u>458,649</u>	<u>474,919</u>
OTHER ASSETS:		
Loan to Officer	76,000	80,000
Interest in Mining Exploration Syndicate (See Note)	61,529	36,669
Incorporation & Financing Costs	26,110	25,810
	<u>163,639</u>	<u>142,479</u>
CAPITAL ASSETS:		
Petroleum & Natural Gas Interests	4,907,019	4,298,077
Less—Accumulated Depletion	(1,222,139)	(1,108,533)
Production & Other Equipment	788,849	699,855
Less—Accumulated Depreciation	(314,541)	(294,356)
	<u>4,159,188</u>	<u>3,595,043</u>
	<u>\$4,781,476</u>	<u>\$4,212,441</u>

NOTES

1970 advances to the mining exploration syndicate have been deferred in the accounts as the property examinations are continuing.

The principles described in the notes to the 1969 financial statements are still applicable to these statements.

LIABILITIES

CURRENT LIABILITIES:		
Accounts Payable	\$ 254,944	\$ 418,061
Bank Loan	—	150,000
Current portion of term bank loan	140,400	140,400
	<u>395,344</u>	<u>708,461</u>
Due to Bralorne Can-Fer Resources Limited in January, 1972	135,042	—
Term Bank Loan	672,709	540,358
	<u>1,203,095</u>	<u>1,248,819</u>
CAPITAL AND SURPLUS:		
Share Capital		
Authorized:		
10,000,000 shares without nominal or par value issuable for an aggregate consideration not to exceed \$10,000,000		
Issued:		
2,725,000 shares	—	2,892,551
3,000,000 shares	3,442,551	—
Earned Surplus—per statement attached	135,830	71,071
	<u>3,578,381</u>	<u>2,963,622</u>
	<u>\$4,781,476</u>	<u>\$4,212,441</u>

BRALORNE OIL & GAS LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOME AND EARNED SURPLUS
FOR THE PERIOD TO JUNE 30, 1970

CURRENT MONTH		QUANTITIES	YEAR TO DATE	
1970	1969		1970	1969
		Oil & Liquid in bbls.		
23,024	20,749	Gross	146,512	112,981
4,624	4,791	Royalties	31,989	26,288
<u>18,400</u>	<u>15,958</u>	Net	<u>114,523</u>	<u>86,693</u>
		Natural Gas in MCF		
150,849	59,378	Gross	738,154	357,162
17,127	7,985	Royalties	69,943	48,054
<u>133,722</u>	<u>51,393</u>	Net	<u>668,211</u>	<u>309,108</u>
<hr/>				
		Sales Revenue (Net after Royalties)		
\$ 46,000	\$ 39,910	Oil & Liquids	\$277,911	\$216,518
17,468	8,040	Gas	91,784	53,082
10,002	—	Management Fees Earned	110,865	—
1,627	3,201	Interest Income	6,351	22,780
<u>75,097</u>	<u>51,151</u>		<u>486,911</u>	<u>292,380</u>
<hr/>				
		Production Expenses		
19,540	11,746	Oil	73,890	59,007
2,038	1,998	Gas	11,099	10,103
<u>21,578</u>	<u>13,744</u>		<u>84,989</u>	<u>69,110</u>
53,519	37,407	Operating Income	401,922	223,270
29,874	20,790	Administration and General	162,576	109,131
7,973	—	Interest Expense	42,023	—
<u>37,847</u>	<u>20,790</u>		<u>204,599</u>	<u>109,131</u>
<u>15,672</u>	<u>16,617</u>		<u>197,323</u>	<u>114,139</u>
<hr/>				
		Provisions for		
3,647	3,641	Depreciation	20,175	20,282
16,699	16,522	Depletion	112,389	91,777
—	5,780	Exploration—Mining	—	15,776
<u>20,346</u>	<u>25,943</u>		<u>132,564</u>	<u>127,835</u>
<u>\$ (4,674)</u>	<u>\$ (9,326)</u>	Income for the Period (Loss)	64,759	(13,696)
		Earned Surplus—opening	71,071	119,453
		Earned Surplus—closing	<u>\$135,830</u>	<u>\$105,757</u>

BRALORNE OIL & GAS LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND DISPOSITION OF
WORKING CAPITAL TO JUNE 30, 1970

	1970 Projection	Actual Costs Month	Period to Date
Source of Working Capital:			
Income (Loss) for the period	\$ 100,000	\$ (4,674)	\$ 64,759
Add Depreciation and Depletion	260,000	20,346	132,564
	<u>360,000</u>	<u>15,672</u>	<u>197,323</u>
Loan from Bralorne Can-Fer	—	2,616	150,042
Payment from Officer	4,000	—	4,000
Sale of treasury shares	1,000,000	250,000	500,000
Issuance of 25,000 shares—re Junior Oils	50,000	—	50,000
Term Bank Loan	—	—	191,109
	<u>1,414,000</u>	<u>268,288</u>	<u>1,092,474</u>
Disposition of Working Capital:			
Expenditures on Properties, P&NG interests, Plant & Equipment A.F.E. expenditures	471,646	41,784	342,728
Capital participation	97,887	1,265	29,820
	<u>569,533</u>	<u>43,049</u>	<u>372,548</u>
Term Bank loan repayment	140,400	7,000	58,758
Purchase of Junior Oils Ltd. (exclusive of its work- ing capital of 25,539)	324,461	—	324,461
Repayment to Bralorne Can-Fer	150,042	5,000	15,000
Advances to Mining Exploration Syndicate	50,000	5,475	24,860
	<u>1,234,436</u>	<u>60,524</u>	<u>795,627</u>
Increase (decrease) in Working Capital	179,564	207,764	296,847
Working Capital at Beginning of Period	(233,542)	(144,459)	(233,542)
Working Capital at End of Period	<u>\$ (53,978)</u>	<u>\$ 63,305</u>	<u>\$ 63,305</u>

